



December 9, 2009

Testimony – Appropriations Committee – Governor’s Rescissions and Deficit Mitigation Plan

I appreciate the opportunity to speak with you today about the Governor’s rescissions and deficit mitigation plan and the impact of this plan on services for individuals with disabilities. I am Terry Edelstein, President/CEO of the Connecticut Community Providers Association (CCPA).

Connecticut community providers serve more than 500,000 of the state’s most vulnerable residents. Our services support people with disabilities and other significant needs including children and adults with mental illness, substance use disorders, developmental and physical disabilities.

The combined impact of the Governor’s rescissions and her deficit mitigation plan will be devastating to the community-based system of services and supports for individuals with disabilities and their families. Our system is already stretched dangerously thin with three years of flat funding coupled with decades of underfunding and increasing operating costs.

I have been involved in advocating for community-based services for many years and I have never seen a circumstance such as the one we are in that will, in effect, decimate community services. Since the time that I was first involved in the system, Connecticut has made the transition from state psychiatric hospitals to community services, from a large congregate setting for people with intellectual disabilities to a system of community homes and job training programs. It has established an array of services for children with behavioral health issues, making huge efforts to support these children in family settings. People with addictions receive treatment and recovery supports. All this is at risk as the rescissions roll out and if the Deficit Mitigation Plan takes effect.

Other speakers today will provide testimony about the impact of these cuts on specific services at the agency level. I would like to highlight some of the many challenges of the rescissions and

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the deficit mitigation plan across the system. These cuts are interrelated. A cut in one state agency budget has an impact system-wide.

- Job training for people with disabilities, known as “Employment Opportunities” is cut in the DSS, DMHAS and DDS budgets, changing the focus from job training, productive work, integration and wages to empty days with no structure and no support.
- Reduced Medicaid rates will have a profound effect on ICF-MRs (Intermediate Care Facilities for the Mentally Retarded) that rely on what is supposed to be cost-based reimbursement for staff, food, heat, day programming and housing costs.
- Medicaid rate cuts of 5% (over still unspecified services) will have the impact of halting the Behavioral Health Partnership between DSS and DCF in its tracks if rates don’t cover the cost of providing the enhanced services for children and their families.
- The freeze in admissions to General Assistance runs completely counter to promoting access to health care. Not only will individuals lose primary health care, but without the ability to receive mental health and substance abuse treatment through the DMHAS General Assistance Behavioral Health Program (GABHP), people with addictions will be forced to seek treatment in hospital emergency rooms and they will show up in the Judicial and Correction systems.
- Freezing “voluntary services” for admission to DDS or DCF services will harm the parents in desperate need of services for their children. And without a flow of referrals to their programs, service providers will no longer have the capacity to provide residential supports or in-home services to these and other families.
- The 2% rescissions to almost every DCF and DMHAS line item damages the ability of the provider system to serve the individuals in their charge. All these cuts come at a time when the impact of the economy has increased family instability, resulting in increased demand for services. With constrained resources there is no excess capacity, no room to juggle in order to provide a much needed service. Individuals in need of service will go onto ever-longer waiting lists

We urge you to develop long term solutions and strategies that support people with disabilities and significant challenges in the community, rather than adopting a short-term proposal that

provides for immediate savings but threatens the health and safety of the individuals served by community providers and the long-term stability of the entire community provider safety net. Community providers, that save the state millions of dollars each year, can and should figure prominently in the development of a long-term solution to managing the state budget.

Our view: State has spending cuts reversed

Cutting cost efficient and effective programs to save money makes no sense

By Norwich Bulletin

Posted Dec 07, 2009 @ 10:43 PM

On Monday, many nonprofit agencies had to inform various state social service agencies how they would cut their budgets in order to reduce spending by 2 percent, as ordered by Gov. M. Jodi Rell as part of her effort to address the state’s budget shortfall.

But it’s not really a 2 percent cut. It’s 2 percent of an annual budget with five months of spending already past — in other words, more like a 4 percent reduction of what’s left of the annual state allotment.

We understand the state’s fiscal problems, but this is not an answer. It not only fails to address the state’s fiscal problem, it adds to it.

If programs and services offered to clients by nonprofit agencies are to be eliminated or curtailed because of these cuts, the problems they address don’t disappear. It merely shifts to other nonprofits that also are struggling to do more with less, or back to the state at three times the cost, or to hospital emergency rooms that already are overcrowded — and thus continuing to add to rising health care costs for everyone else.

Nonprofits, who provide the bulk of services to the state’s neediest citizens, are cost efficient and effective. It is precisely that reason why the state contracts these services to nonprofits in the first place — it costs less to do so. The state provides many of the same services utilizing state employees — at three times the cost to taxpayers.

Target costly programs

Doesn’t it make more sense to cut the more expensive state services, and contract those services to the nonprofits — with an appropriate increase in state funding? Even with an increase to the nonprofits, the state would surely realize a cost savings equal to what it is trying to bleed from the nonprofits today — and vital services would still be provided.

Nonprofits have demonstrated an amazing ability to continue providing services despite the failure of the state to recognize their valuable contributions — or appropriately fund them. When you compare that to what the state offers taxpayers, the choice of where spending cuts should be made seems pretty clear.

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